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RESOLUTION 87-37

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency staff has reviewed a loan application from TCC Properties, Inc. under the Rental Housing Mortgage Loan Program for Lincoln Garden Apartments and has recommended to the Lending /Insurance Committee of the Board of Directors such loan be approved; and

WHEREAS, the Lending/Insurance Committee has reviewed that loan application and concurs in the recommendation of the staff; and

WHEREAS, the Board of Directors has approved an initial loan commitment Resolution 87-12 on May 14, 1987 for such project; and

WHEREAS, based upon the recommendation of staff and the Lending/Insurance Committee, the Board of Directors has determined that a final loan commitment be made for such project.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Housing Finance Agency:

- (1) The Executive Director, or in the Executive Director's absence, the Director of Programs of the California Housing Finance Agency is hereby authorized to transmit a final commitment letter, subject to the recommended terms and conditions set forth in the attached report of CHFA staff dated June 22, 1987 in relation to a multifamily housing development described as follows:


PROJECT NUMBER	DEV. NAME/ LOCALITY	# UNITS	MORTGAGE AMOUNT
87-25-N	Lincoln Garden Apartments Woodland	66	\$1,500,000

- (2) The final commitment letter shall specifically state that the commitment is subject to the Agency's ability to sell its bonds in an amount sufficient to fund the commitment.

- (3) The Executive Director, or in the Executive Director's absence, the Director of Programs of the California Housing Finance Agency has the authority to modify the mortgage amount so stated in this

1 resolution by an amount not to exceed seven percent
2 (7%) without further Board approval. All other
3 changes, including changes in mortgage amount of more
than seven percent (7%), must be submitted to this
Board for approval.

4 I hereby certify that this is a true and correct copy of
5 Resolution 87-37 adopted at a duly constituted meeting of the
6 Board of Directors of the California Housing Finance Agency
held on July 9, 1987 at Sacramento, California.

7 ATTEST:  _____

Secretary

State of California

M E M O R A N D U M

To : Lending/Insurance Committee Date : June 22, 1987

From : Warren Seeto
: CALIFORNIA HOUSING FINANCE AGENCY

Subject : Lincoln Garden Apartments
Woodland, Yolo County
CHFA #87-25-N

Action Requested

The purpose of this memorandum is to recommend a Final Loan Commitment in the amount of \$1,500,000 to develop 66 new housing units for the elderly in the City of Woodland, Yolo County. CHFA's Board of Directors approved an Initial Commitment on May 14, 1987, in the amount of \$1,500,000. The developer has satisfied the terms of the Initial Commitment which includes securing construction financing. The developer has obtained a conditional construction loan commitment from Point West Bank of Sacramento.

Market Study - MAI Appraisal

The firm of R.E. Stover Company completed an independent market study, and has issued an MAI appraisal dated April 16, 1987. The economic value determined by this appraisal is \$2,475,000, which represents a 60.6% loan to value. This appraisal is summarized on page 5 of the Application for Mortgage Financing (CHFA-3).

Financial Requirement

Program guidelines requiring minimum cash equity investment of 10% of replacement cost. For this loan, the developer's cash equity contribution is \$692,080, which represents a 31.57% of the project development cost.

In addition to the cash investment, the developer will post a bond security escrow of \$52,500, which is 3-1/2% of the mortgage amount. When the permanent loan is funded by CHFA, the developer is required to provide CHFA with the following escrows:

Projected Operating Expense Escrow	\$56,200
Rent-Up Escrow	\$69,120
Operating Expense Escrow	\$27,648

Occupancy Requirement

14 units (20%) must be occupied by very low income tenants paying a maximum annual rent no greater than 30% of the published income limits (adjusted for family size). The remaining 52 units are not regulated.